

MASSACHUSETTS CLIENTS' SECURITY BOARD
OF THE
SUPREME JUDICIAL COURT



ANNUAL REPORT
TO THE
SUPREME JUDICIAL COURT
FISCAL YEAR 2003

September 1, 2002 – August 31, 2003



CLIENTS' SECURITY BOARD
of the Supreme Judicial Court
75 FEDERAL STREET
BOSTON, MASSACHUSETTS 02110-1913

CLIENTS' SECURITY BOARD

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ADAM M. LUTYNSKI

August 30, 2003

Dear Reader:

As Chair of the Clients' Security Board during the period covered by this Annual Report, I am pleased to inform you that the Board had a busy and productive year. As I wrote in "Report to the Bar," published in *Massachusetts Lawyers Weekly*, "the Board represents the face of the bar to those who are lawyers' victims." As such, we carry a heavy responsibility.

This year, that responsibility entailed the receipt of \$3.5 million in new claims pushing pending claims to a new high of \$14.5 million. All outstanding claims involve fewer than fifty lawyers, one tenth of one percent of the Massachusetts Bar. Nevertheless, this new benchmark in total pending claims is a troublesome development. The reason for the almost threefold jump from just two years ago is that claims against a single disbarred lawyer, Morris Goldings, account for more than \$8 million.

In at least two respects, these Goldings claims present unique challenges. First, the size of the claims: both individually and cumulatively, they are unprecedented. During 2003, Board and staff devoted considerable time to determining how best to hear these claims. We finally settled on fact-finding hearings for the six largest claims totaling \$7.6 million. The hearings were lengthy because of intricate fact patterns reflected in extensive documentation. Second, the bankruptcies: both Goldings and his former law firm are in bankruptcy, and his former clients who have filed with the Board have also filed claims in the Bankruptcy Court. Until that Court acts, the amount of any client's actual loss will not be known.

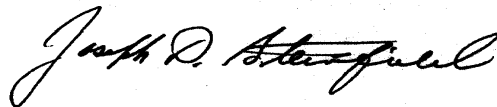
Another unusual development took place in 2003 – the case of deceased lawyer Thai Ngoc Nguyen, against whom more than 50 claims have been filed.

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We explain, at pages 5-6 of this Report, what the Board's staff has done to reach out to Boston's Vietnamese community. Our goal is to be sure that all members of this community, and of Massachusetts as a whole, will be aware of the Board and will be able to seek its assistance if they have been victimized by their lawyer.

I will leave the details of our 2003 awards to the pages that follow, where they are discussed and illustrated in detail. It has been a great honor to be a member of the Clients' Security Board and to serve as its Chair. I have never been associated with a more dedicated group of lawyers than those with whom I have served over the last five years. They stand, without exception, as exemplars of what we as lawyers should try to be. Yet all of their time and effort would accomplish little were it not for the staff – Michael Fredrickson, Board Counsel; Karen O'Toole and Adam Lutynski, Assistant Board Counsel; and Sandra Mahabir, Administrative Assistant. We are all greatly indebted to them.

Sincerely yours,

A handwritten signature in black ink, reading "Joseph D. Steinfield". The signature is fluid and cursive, with the first name "Joseph" being the most prominent.

Joseph D. Steinfield
Chair

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2003 - A TIME FOR OUTREACH

The Vietnamese Community

On September 22, 2002, just days after the start of this fiscal year, Thai Ngoc Nguyen died at age 37. “Lawyer Thai,” as he was known in the 40,000 member Vietnamese community centered in the Dorchester section of Boston, represented hundreds of his fellow countrymen and women. His death left considerable confusion and dismay among clients whose funds were missing.

Having no in-house knowledge of the Vietnamese language or culture, the staff of the Clients’ Security Board sought to bridge the communication and cultural gap. Assistant Board Counsel Karen D. O’Toole and her assistant, Sandra Mahabir, met with community leaders at the Vietnamese American Community Center in Dorchester. Those leaders included Attorney Zenobia Lai, managing attorney for the Asian Outreach Unit of Greater Boston Legal Services; Attorney Long Nguyen, Executive Director at the community center; Attorney Quang Joseph Nguyen, a solo practitioner in the Vietnamese community; and Attorneys Hung T. Tran and Hang Nina T.K. Nguyen. The meeting concluded with plans for an open educational forum on the Board’s mission and role on Saturday, May 3, 2003 at the Vietnamese American Community Center.

Attorney Hung T. Tran volunteered to act as the Board’s interpreter. Both he and Nina Nguyen spent numerous hours translating the Board’s application forms into Vietnamese. (The Clients’ Security Board’s web site was immediately updated to include these translations). These two attorneys organized a full-page advertisement of the educational forum in the *Thang Long* newspapers (see page 6) and Attorney Quang Joseph Nguyen yielded his space in the newspaper that week so the ad could appear.

The resulting cooperation between the community and the Board was critical to the efficient submission and docketing of more than fifty claims from former clients of Lawyer Thai.

THÔNG BÁO

Ủy Ban Bảo Vệ Thân Chủ Của Tối Cao Pháp Viện Tiểu Bang Massachusetts.

Xin tham dự buổi hội thảo vào ngày 3 tháng 5 lúc 12 giờ trưa tới 2 giờ chiều tại

Trung Tâm Sinh Hoạt Cộng Đồng Việt Nam ở địa chỉ 42-46 Charles Street, Dorchester.

Ủy Ban Bảo Vệ Thân Chủ được thành lập do Toà Tối Cao Pháp Viện của tiểu bang Massachusetts nhằm mục đích bồi thường những thân chủ đã bị luật sư khuất mặt đánh cắp tiền hoặc chiếm đoạt tài sản của quý vị. Mong quý vị tham dự buổi thảo luận để biết thêm về quyền lợi của mình.

Xin vui lòng liên lạc cô Sandra Mahabir tại Ủy Ban Bảo Vệ Thân Chủ ở số điện thoại
(617) 728-8757

www.state.ma.us/ClientsSecurityBoard

THANG LONG 45

April 29, 2003

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Morris Goldings Claimants

Last year's Report noted eight claims totaling \$7.97 million related to the misconduct of disbarred lawyer Morris Goldings. While researching the bankruptcy cases of Mr. Goldings and his former firm, Board staff noted several proofs of claims that could possibly be valid Clients' Security Board claims. To generate an accurate picture of the potential exposure of the Clients' Security Fund to the Goldings claims, the Board took the unprecedented action of sending informational/educational letters to twenty individuals who had filed proofs of claims with the Bankruptcy Court but had not filed claims with the Board. As a result of that outreach, seven individuals filed new claims to increase the total of outstanding Goldings claims by an additional \$894,000.00.

Distribution of the 2002 Annual Report

The Board expanded distribution of its 2002 Annual Report reaching 89 local bar associations, *pro bono* lawyers who represented claimants before the Board, almost 400 public and community libraries, 244 newspaper publications and thirty-one major, community and public TV and radio stations. Distribution extended to law libraries, 161 Massachusetts courts, district attorneys' offices and certain organizations such as the National Client Protection Organization, Chambers of Commerce and Rotary Clubs. Some of the 1,200 mailings delivered a hard copy of the report while the others encouraged recipients to examine the Annual Report on the Board's web site.

Media Publicity

As a direct result of the mailing of the Annual Report, staff writer Sheri Qualters featured the work of the Clients' Security Board in her article entitled, "Legal Fraud Reparations Fund Faces Record Claims," *Boston Business Journal*, July 11-17, 2003, Volume 23, Number 23.

Chair of the Board Joseph D. Steinfield authored an article entitled, "Clients' Security Board Report to the Bar," for *Massachusetts Lawyers Weekly* (31 M.L.W. 2231) dated July 21, 2003.

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On November 18th, 2003, Fox 25 TV investigative reporter Mike Beaudet featured the Clients' Security Board on the station's 10:00 p.m. and 7:00 a.m. newscasts in a segment entitled, "Stealing From The Dead." As a follow-up to the telecast, the station placed the following public service announcement on its web site.

STEALING FROM THE DEAD

Before you hire a lawyer, do your homework!

The Massachusetts Board of Bar Overseers can tell you if a lawyer is in good standing. Here's the link to look up a lawyer: db.state.ma.us/obcbbo/bboreg/lookup.asp

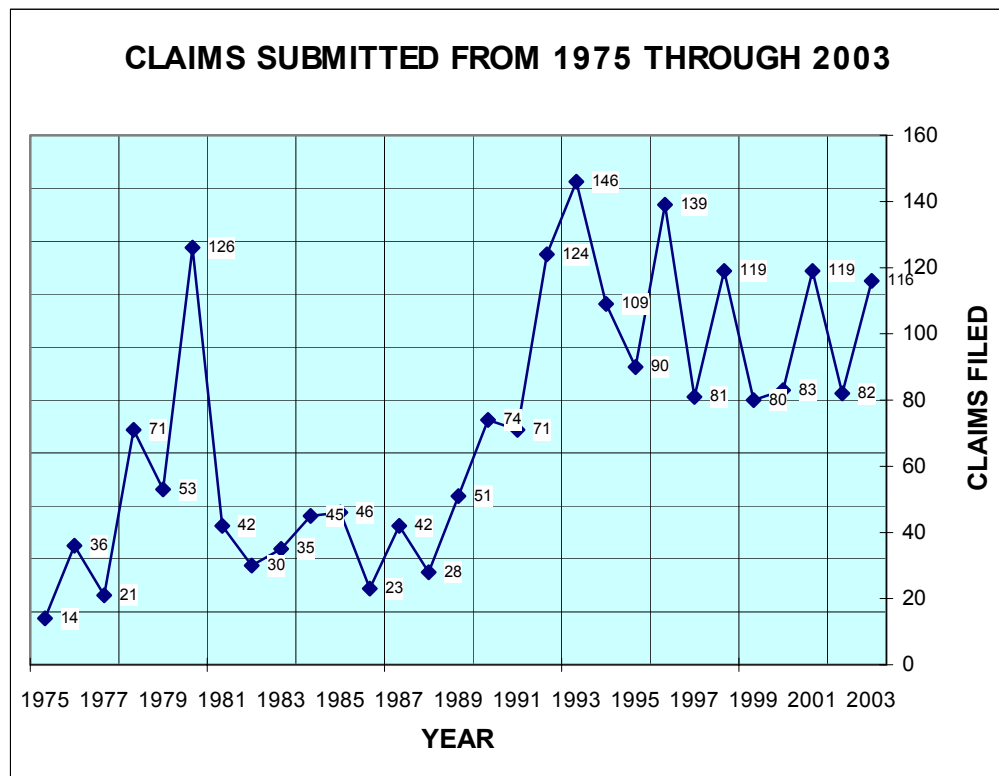
If you've been ripped off by an attorney and want to file a claim with the Clients' Security Board, call Sandra Mahabir at 617-728-8757 or go to the website: state.ma.us/ClientsSecurityBoard

*Fox 25 UNDERCOVER, Fox Television Stations, Inc.,
November 19, 2003*

CLAIMS

1. *New Claims*

The 116 claims filed in 2003 represented a 41.5% increase from the 82 filed in 2002. Except for the years 1988-1993 which showed steady increases, the chart below reveals the unpredictable nature of new claim filings from year to year.

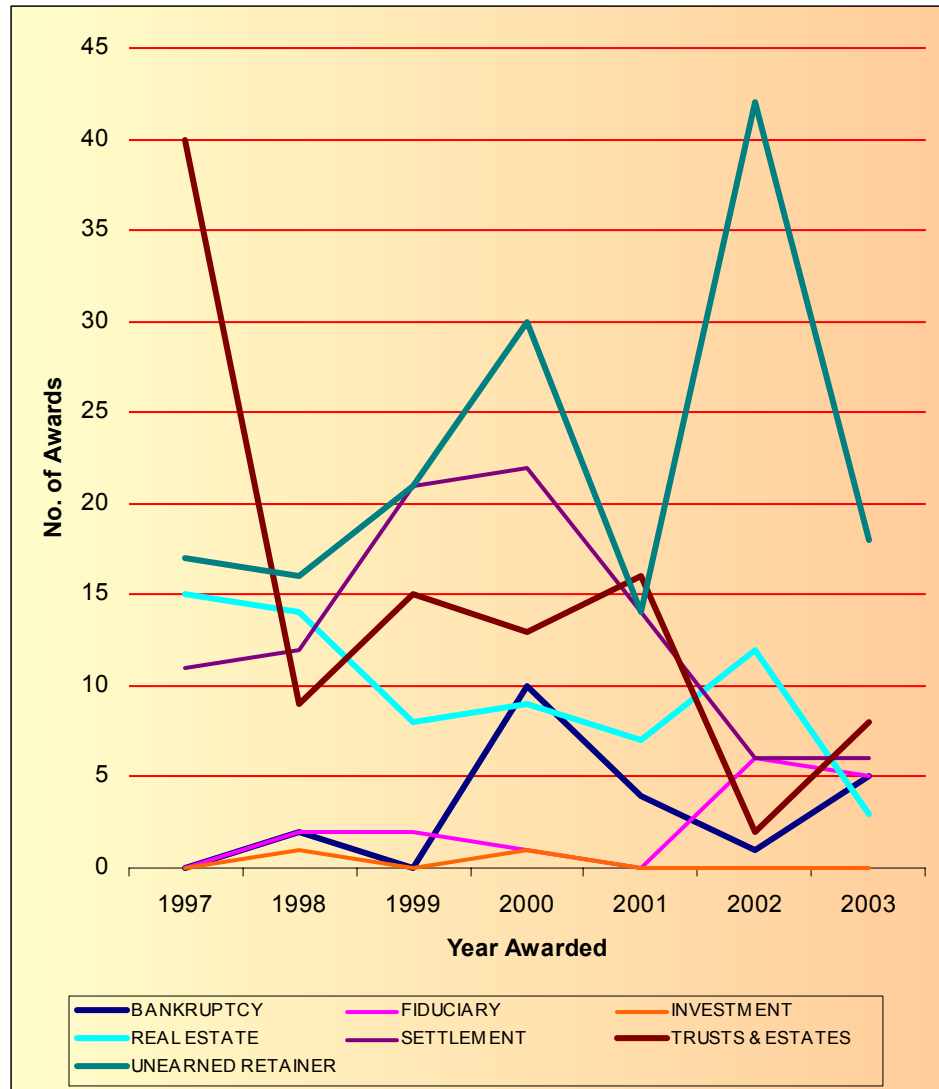


CLAIMS ACTIVITY TABLE: FISCAL YEARS 1975-2003

Fiscal Year	Claims Filed	Claims Adjudicated	Claims Dismissed	Awards Made	Award Amounts	Defalcation	Claims Pending	Total Amount of Pending Claims
1975	14	7	2	5	\$2,808.00	\$3,300.00	0	\$0
1976	36	28	18	10	\$44,635.00	\$102,874.61	1	\$40,000.00
1977	21	18	13	5	\$22,100.80	\$29,929.00	2	\$162,000.00
1978	71	34	14	20	\$64,734.00	\$198,218.18	0	\$0
1979	53	39	29	10	\$14,490.00	\$50,010.66	1	\$10,000.00
1980	126	60	38	22	\$71,208.00	\$210,564.42	4	98,979.00
1981	42	126	61	65	\$244,276.18	\$509,383.34	5	\$124,414.55
1982	30	29	9	20	\$80,212.00	\$147,383.38	11	237,977.40
1983	35	40	7	33	\$152,005.00	\$292,295.54	6	\$150,222.96
1984	45	42	17	25	\$141,125.67	\$252,035.43	22	\$596,644.01
1985	46	34	12	22	\$224,904.17	\$366,320.22	33	Not available
1986	23	38	7	31	\$214,810.75	\$408,222.01	18	\$435,610.54
1987	42	35	12	22	\$503,776.00	\$578,541.42	26	\$913,757.20
1988	28	24	13	11	\$267,954.24	\$334,718.29	31	\$879,523.90
1989	51	40	16	24	\$146,720.06	\$188,003.67	42	\$1,185,536.06
1990	74	73	18	55	\$759,025.23	\$1,062,513.53	43	\$1,684,305.12
1991	71	55	20	35	\$624,592.42	\$701,168.42	59	\$2,385,442.46
1992	124	85	16	69	\$968,894.77	\$997,394.78	97	\$3,876,569.75
1993	146	95	22	73	\$1,111,181.93	\$1,145,546.27	152	\$5,923,733.42
1994	109	157	27	130	\$1,203,911.62	\$1,301,225.72	103	\$6,388,646.51
1995	90	103	35	68	\$1,602,217.70	\$1,837,125.44	92	\$4,941,427.08
1996	139	100	33	67	\$1,696,870.13	\$2,770,734.17	130	\$6,704,036.56
1997	81	113	30	83	\$2,058,900.92	\$2,348,443.15	100	\$6,011,390.39
1998	119	102	46	56	\$1,254,229.91	\$1,313,307.70	117	\$4,896,354.03
1999	80	98	32	66	\$2,119,675.47	\$2,512,843.05	103	\$3,978,062.06
2000	83	108	22	86	\$2,744,848.83	\$2,812,926.57	78	\$3,175,277.78
2001	119	70	15	55	\$1,963,555.27	\$1,963,555.27	125	\$5,766,860.34
2002	82	94	25	69	\$1,066,379.91	\$1,083,745.75	115	\$10,935,665.79
2003	116	56	11	45	\$1,055,477.00	\$1,147,876.90	176	\$14,527,530.07

COMPARATIVE ANALYSIS AWARDS BY CATEGORY 1997-2003

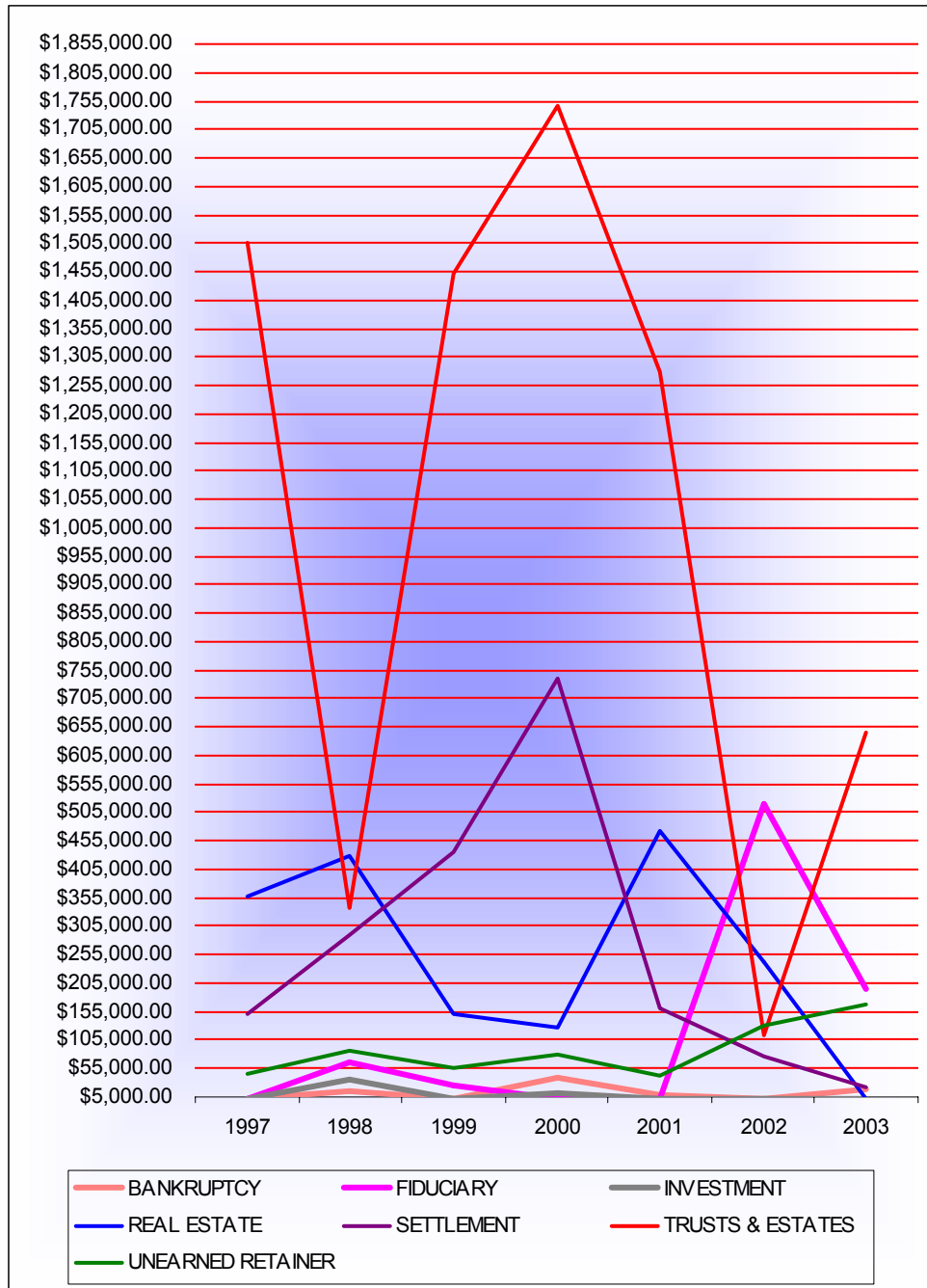
NUMBER OF AWARDS PER YEAR BY CATEGORY - 1997-2003



With few exceptions, the category “Unearned Retainers” consistently leads the others in number of claims receiving awards. However, “Trusts and Estates” leads in the number of dollars awarded. (See page 12).

/// FISCAL YEAR 2003

**\$\$ AMOUNT OF AWARDS PER YEAR
BY CATEGORY
1997-2003**

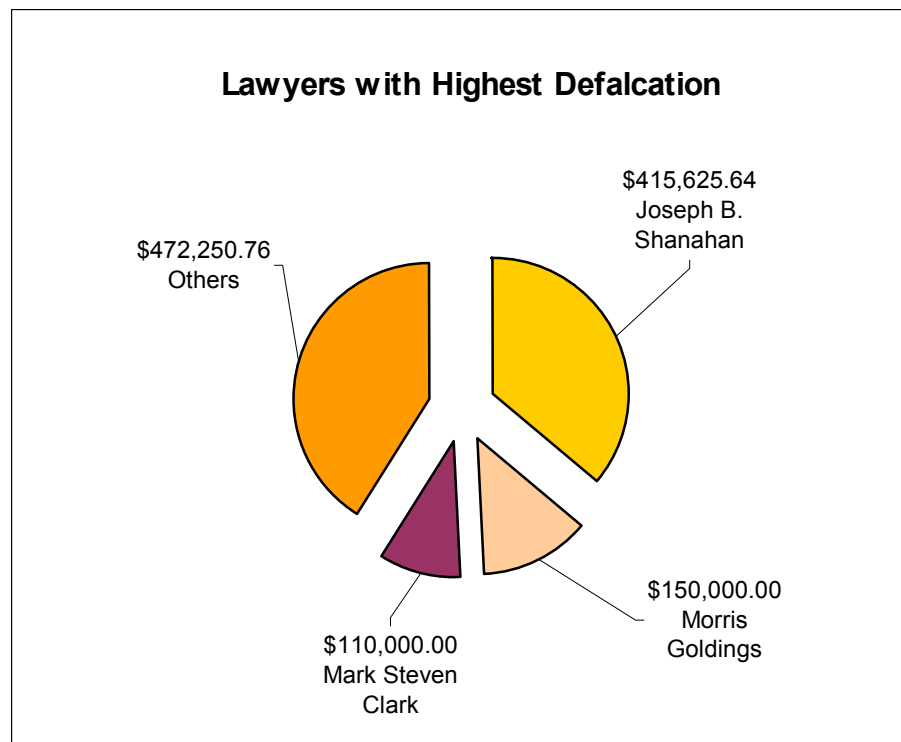


DISPOSITION OF CLAIMS

Awards

1. General

In fiscal year 2003, the Board made forty-five awards totaling \$1,055,477.00. Although this is a 34.78% decrease from the number of awards (sixty-nine) made in 2002, it is only a 1.02% decrease from the total of \$1,066,379.91 awarded in 2002. The misconduct of twenty-seven lawyers was responsible for these awards. The largest single award (\$187,509.15) was to the executrix of her aunt's estate who had retained Joseph B. Shanahan. The smallest single award was \$500.00. Three lawyers, Joseph B. Shanahan, Morris Goldings and Mark Steven Clark were responsible for \$675,625.64 or 64% of the total awarded by the Board.



**Total Awards by Disciplined Attorney
(September 1, 2002-August 31, 2003)**

Attorneys' Names	Town	County	Defalcation	Total Awarded
Joseph B. Shanahan	Chelmsford	Middlesex	\$ 415,625.64	\$ 415,625.64
Morris M. Goldings	Chestnut Hill	Middlesex	\$ 150,000.00	\$ 150,000.00
Mark Steven Clark	Petersham	Worcester	\$ 110,000.00	\$ 110,000.00
Thomas Cargill	Boxford	Essex	\$ 90,000.00	\$ 0.00
Kevin G. Scott	Milton	Norfolk	\$ 89,673.63	\$ 89,673.63
Stephen J. Milstein	Seekonk	Bristol	\$ 80,000.00	\$ 80,000.00
Frederic A. Crafts	Waltham	Middlesex	\$ 53,447.04	\$ 53,447.04
Richard P. Blaustein	Lynn	Essex	\$ 32,433.00	\$ 32,433.00
Sean C. Murphy	Marblehead	Essex	\$ 18,399.00	\$ 18,399.00
Edward K. Boyer	Fall River	Bristol	\$ 19,000.00	\$ 19,000.00
George A. Fairbanks	Raynham	Bristol	\$ 12,527.77	\$ 12,527.77
William C. McPhee	Norwell	Plymouth	\$ 9,500.00	\$ 9,500.00
Paul B. Morley	Canton	Norfolk	\$ 9,500.00	\$ 9,500.00
Allan Garfinkle	Waltham	Middlesex	\$ 8,368.60	\$ 8,368.60
Paul J. Wahlberg	Milton	Norfolk	\$ 10,094.57	\$ 10,094.67
Carlos M. Gomez	Dudley	Worcester	\$ 6,446.31	\$ 6,446.31
Frank H. Gross	Westborough	Worcester	\$ 5,000.00	\$ 5,000.00
David P. Ulin	Ashland	Middlesex	\$ 4,000.00	\$ 1,600.00
Danuta Danek Jurczyk	Cotuit	Barnstable	\$ 3,200.00	\$ 3,200.00
Timothy P. Foster	No. Dartmouth	Bristol	\$ 3,000.00	\$ 3,000.00
Jeffrey D. Marshall	Ipswich	Essex	\$ 2,963.00	\$ 2,963.00
Bernard J. Killion	South Boston	Suffolk	\$ 2,876.02	\$ 2,876.02
David P. Swan	Medfield	Norfolk	\$ 2,500.00	\$ 2,500.00
Donald M. Constant	New Bedford	Bristol	\$ 2,120.00	\$ 2,120.00
David J. Luff	Framingham	Middlesex	\$ 2,085.00	\$ 2,085.00
John W. Capone	Oakham	Worcester	\$ 2,000.00	\$ 2,000.00
Ronald C. Kaczynski	Andover	Essex	\$ 1,867.32	\$ 1,867.32
Richard S. Gonick	Ipswich	Essex	\$ 1,250.00	\$ 1,250.00

/// FISCAL YEAR 2003

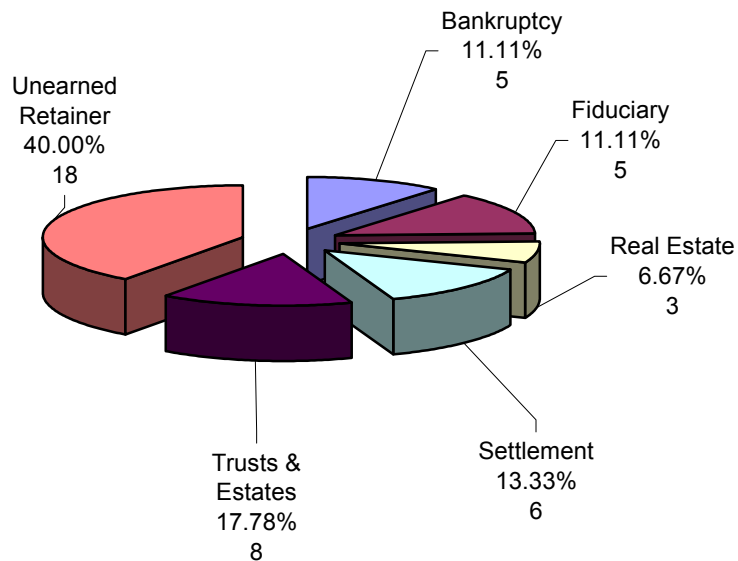
The Board awarded 100% of the defalcations found in all but two of the forty-six claims. In the first, although the Board found a defalcation it made no award because the totality of the circumstances demonstrated that the claimant (a lawyer who was the administrator of the estate of a state hospital resident) failed to diligently pursue the interests of the estate. In the second, a claimant recovered by litigation \$2,400.00 of her lawyer's \$4,000.00 defalcation. The Board awarded \$1,600.00 or 100% of the remaining reimbursable loss.

AWARDS BY CATEGORY

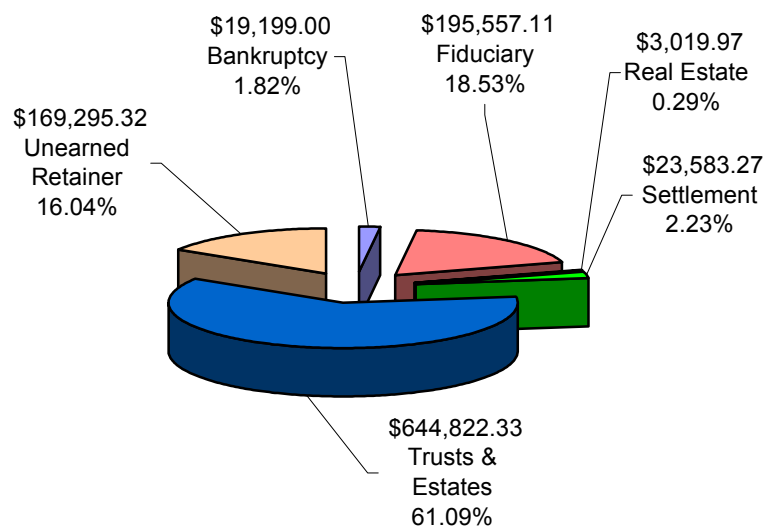
The category "Unearned Retainer" led in the number of awards (eighteen or 40% of the total) representing 16.04% of the total awarded. This confirms the trend in recent years shown by the chart on page 11. By contrast, "Trusts and Estates" with eight awards (17.78% of the total) represented 61.09% of the total awarded. Similarly, this confirms the trend shown by the chart on page 12. The "Fiduciary" category was somewhat balanced with 11.11% of the total number of awards and 18.53% of the total awarded.

CATEGORY	NO. OF AWARDS	% OF TOTAL AWARDS	TOTAL AWARDED	% TOTAL \$\$ AWARDED
Bankruptcy	5	11.11%	\$ 19,199.00	1.82%
Fiduciary	5	11.11%	\$ 195,557.11	18.53%
Real Estate	3	6.67%	\$ 3,019.97	0.29%
Settlement	6	13.33%	\$ 23,583.27	2.23%
Trusts & Estates	8	17.78%	\$ 644,822.33	61.09%
Unearned Retainer	18	40.00%	\$ 169,295.32	16.04%
Total	45	100.00%	\$ 1,055,477.00	100.00%

Analysis of Awards by Category (% of Total Awards)



Analysis of Awards by Category (in \$\$ and % of Total \$\$ Awards)



/// FISCAL YEAR 2003

1. Trusts and Estates: 8 awards, \$644,822.33

Misappropriation of money or other assets, intended for the heirs, beneficiaries or a trust, by an attorney serving as trustee, executor or counsel to the executor or trustee.

Attorney	No. of Awards	Total Award/ Attorney	% of Total Awarded
Frederic A. Crafts	1	\$ 53,447.04	8.29%
Kevin G. Scott	1	\$ 89,673.63	13.91%
Joseph B. Shanahan	3	\$ 415,625.64	64.46%
Stephen J. Milstein	1	\$ 80,000.00	12.41%
Bernard Killion	1	\$ 2,876.02	0.45%
Danuta Danek Jurczyk	1	\$ 3,200.00	0.50%
Total	8	\$ 644,822.33	100.00%

Joseph B. Shanahan accounted for 37.5% of the claims (three of eight) and 64.5% or \$415,625.64 of the total awarded. In all instances, Mr. Shanahan had long-standing relationships with either the deceased testators or the family members serving as executors. The Board made three sizable awards related to Mr. Shanahan's misconduct: \$187,509.15, \$120,181.33 and \$107,935.16.

The remaining 35.5% was attributed to Frederic A. Crafts, Kevin G. Scott and Stephen J. Milstein for \$53,447.04, \$89,673.63 and \$80,000.00, respectively. The cumulative total awarded with respect to the misconduct of Mr. Crafts now exceeds \$575,000.00.

This year registered a four-fold increase in the number of trusts and estates awards compared to 2002 (eight vs. two) and more than a five-fold increase (\$644,822.33 vs. \$115,000) in the total amount awarded.

2. Fiduciary: 5 Awards, \$195,557.11

The misuse of funds held by an attorney acting as a fiduciary where there is an attorney-client relationship.

Attorney	No. of Awards	Total Award/ Attorney	% of Total Awarded
George Fairbanks	1	\$ 10,527.77	5.38%
Richard P. Blaustein	1	\$ 30,983.00	15.84%
Carlos Gomez	2	\$ 4,046.34	2.07%
Morris Goldings	1	\$ 150,000.00	76.70%
Total	5	\$ 195,557.11	100.00%

FISCAL YEAR 2003

Morris Goldings accounted for more than 76% of the total awarded (\$150,000.00) while George Fairbanks, Richard P. Blaustein and Carlos Gomez were responsible for the remaining 23.3% (\$45,557.11). Although the number of awards decreased by 16.6% (five vs. six), the amount awarded decreased more than 62% from the prior year (\$195,557.11 vs. \$518,901.74).

3. Unearned Retainers: 18 awards, \$169,295.32

Client money accepted by an attorney who fails to perform the agreed upon legal services. These claims should not be confused with fee disputes or malpractice claims where an attorney negligently performs legal services causing financial loss to a client.

Attorney	No. of Awards	Total Award/Attorney	% of Total Awarded
Mark Steven Clark	1	\$ 110,000.00	64.98%
Edward K. Boyer	2	\$ 19,000.00	11.22%
Paul B. Morley	1	\$ 9,500.00	5.61%
William C. McPhee	2	\$ 9,500.00	5.61%
Frank H. Gross	1	\$ 5,000.00	2.95%
Jeffrey D. Marshall	1	\$ 2,963.00	1.75%
David P. Swan	1	\$ 2,500.00	1.48%
David J. Luff	1	\$ 2,085.00	1.23%
Ronald C. Kaczynski	1	\$ 1,867.32	1.10%
David P. Ulin	1	\$ 1,600.00	0.95%
Carlos M. Gomez	2	\$ 1,380.00	0.82%
Richard S. Gonick	1	\$ 1,250.00	0.74%
George A. Fairbanks	2	\$ 2,000.00	1.18%
Richard P. Blaustein	1	\$ 650.00	0.38%
Total	18	\$ 169,295.32	100.00%

Compared to 2002, this category recorded a 30% increase in the total amount awarded (\$130,332.23 to \$169,295.32) despite a 57% reduction in the number of claims (42 to 18). One former lawyer, Mark Steven Clark, was responsible for 65% of the total amount awarded with a single claim. Only one other award surpassed \$10,000 and 11 of the awards were for amounts of less than \$3,000.00.

4. Settlement: 6 awards, \$23,583.27

Misappropriation of proceeds from the settlement of personal injury matters or other litigation.

Attorney	No. of Awards	Total Award/Attorney	% of Total Awarded
Paul J. Wahlberg	2	\$ 10,094.67	42.80%
Allan Garfinkle	2	\$ 8,368.60	35.49%
Timothy P. Foster	1	\$ 3,000.00	12.72%
Donald M. Constant	1	\$ 2,120.00	8.99%
Total	6	\$ 23,583.27	100.00%

/// FISCAL YEAR 2003

Although the number of awards was identical to 2002, the total amount awarded decreased by almost 70% (\$23,583.27 vs. \$77,367.43). In two claims, one former lawyer, Paul J. Wahlberg was responsible for 42.80% of the total awarded. As can be seen from the chart on page 12, since 2000 this category has experienced a steep decline in the total amount awarded.

5. **Bankruptcy: 5 awards, \$19,999.00**

Misappropriation of client funds intended as payments to the bankruptcy court or creditors.

Attorney	No. of Awards	Total Award/Attorney	% of Total Awarded
Sean C. Murphy	4	\$ 18,399.00	95.83%
Richard P. Blaunstein	1	\$ 800.00	4.17%
Total	5	\$ 19,199.00	100.00%

Two lawyers were responsible for the amounts awarded in this category. Sean C. Murphy accounted for 80% of the awards and 96% of the total awarded. Compared to last year, the number of awards increased five-fold and the total amount awarded increased twelve-fold (\$19,199.00 vs. \$1, 500.00).

6. **Real Estate: 3 awards, \$3,019.97**

Misappropriation of deposits, escrows or sale proceeds in real estate transactions.

Attorney	No. of Awards	Total Award/Attorney	% of Total Awarded
Carlos Gomez	2	\$ 1,019.97	33.77%
John Capone	1	\$ 2,000.00	66.23%
Total	3	\$ 3,019.97	100.00%

Compared to fiscal year 2002, there was a 75% decline in the number of awards (twelve to three) and a 98+% decrease in the total awarded (\$240,644.35 vs. \$3,019.97). Two lawyers were responsible for these awards.

DISMISSED CLAIMS

The Board dismissed eleven claims, a 56% decrease from the twenty-five dismissed in 2002. The dismissals represented claims of

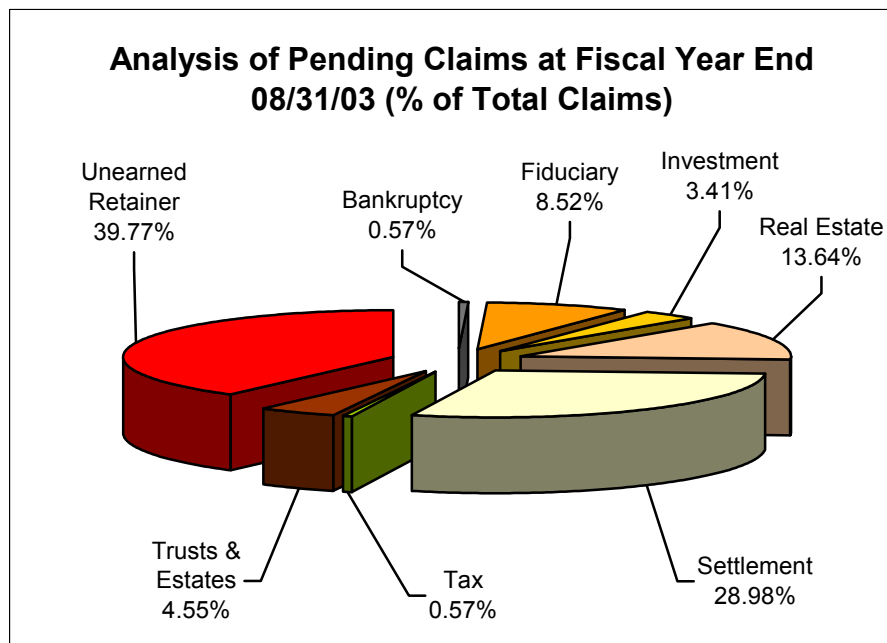
/// FISCAL YEAR 2003

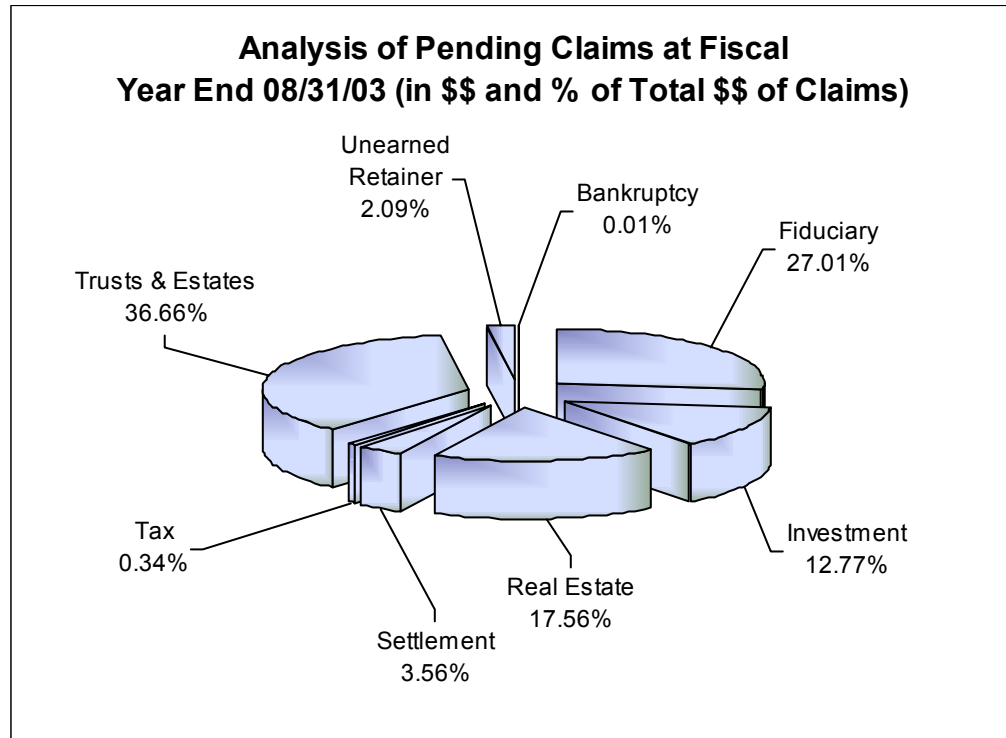
\$135,231.40, a major decrease from the \$1.9 million in 2002. The two largest categories of dismissals were fee disputes (four) and insufficient data (three).

PENDING CLAIMS

ANALYSIS OF PENDING CLAIMS AT FISCAL YEAR END - 08/31/03

BASIS	# CLAIMS PENDING	% OF TOTAL CLAIMS PENDING	TOTAL CLAIMS	% OF TOTAL \$\$ IN PENDING CLAIMS
Bankruptcy	1	0.57%	\$ 1,450.00	0.01%
Fiduciary	15	8.52%	\$ 3,923,747.70	27.01%
Investment	6	3.41%	\$ 1,855,501.00	12.77%
Real Estate	24	13.64%	\$ 2,550,897.69	17.56%
Settlement	51	28.98%	\$ 517,293.45	3.56%
Tax	1	0.57%	\$ 50,000.00	0.34%
Trusts & Estates	8	4.55%	\$ 5,325,139.23	36.66%
Unearned Retainer	70	39.77%	\$ 303,501.00	2.09%
Total	176	100.00%	\$ 14,527,530.07	100.00%



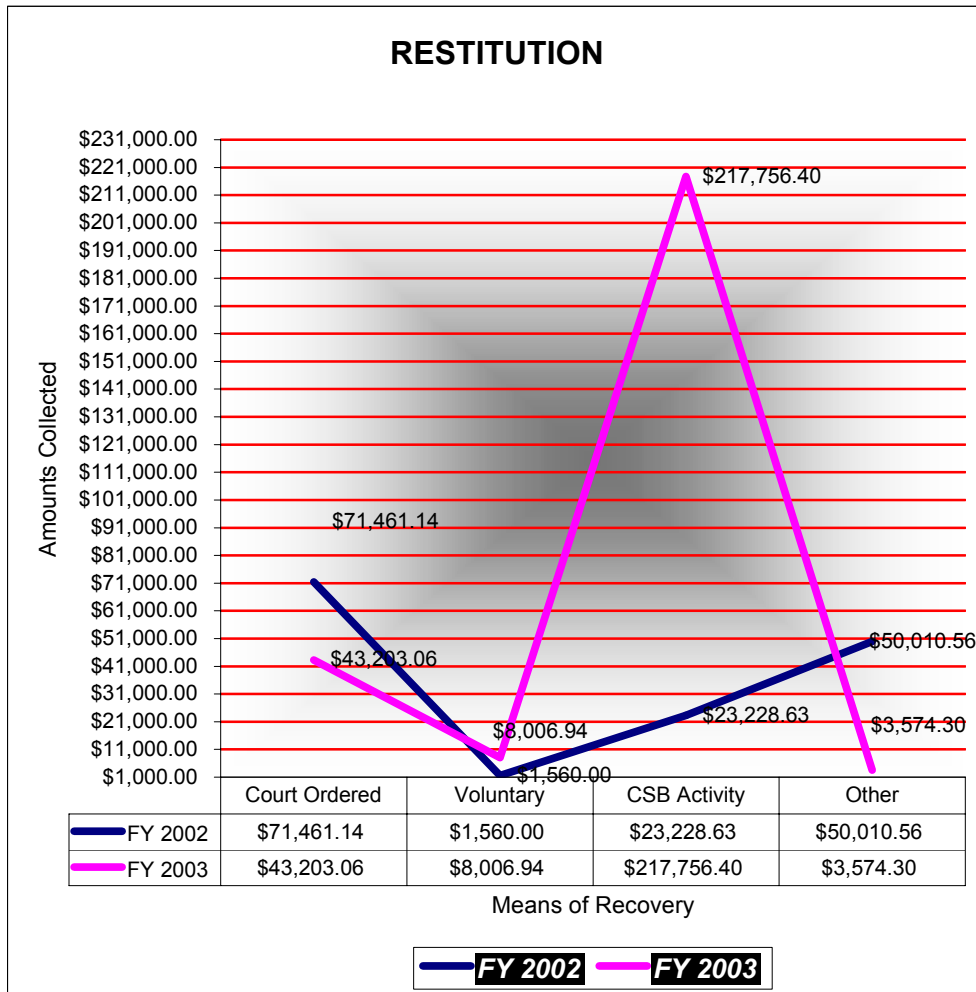


At the end of fiscal year 2003, pending claims stood at \$14.5 million. This represents a 33% increase over the \$10.9 million at the end of fiscal year 2002. Claims related to the misconduct of disbarred lawyer Morris Goldings, however, represent \$7.8 million or 53.8% of the total. The Board continues to closely monitor the progress of Mr. Goldings' personal bankruptcy and that of his former firm to see what funds may be available to reimburse former clients from professional liability insurance, former partners of the Goldings law firm or third parties. It is instructive to subtract the claims related to Morris Goldings from the total \$14.5 million; the result is \$6.7 million, the exact total of pending claims in 1996.

RESTITUTION

Comparison in Restitution Receipts for FY 2002 and FY 2003

	Court Ordered	Voluntary	CSB Activity	Other	Total
FY 2002	\$71,461.14	\$1,560.00	\$23,228.63	\$50,010.56	\$146,260.33
FY 2003	\$43,203.06	\$8,006.94	\$217,756.40	\$3,574.30	\$272,540.70
Variance	(\$28,258.08)	\$6,446.94	\$194,527.77	(\$46,436.26)	\$126,280.37
% Variance	-39.54%	413.27%	837.45%	-92.85%	86.34%



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This year the Board collected a record amount of restitution: \$272,540.70, an 86% increase (\$126,280.37) over 2002.

Board activity, usually in the form of litigation, accounted for 80% (\$217,756.40) of that total. Almost 93% (\$202,138.74) of the total came from two disciplined lawyers: Thomas Palmer (\$144,730.87) and Sean C. Murphy (\$57,407.87). The Board gratefully acknowledges the assistance of the Boston law firms of Riemer & Braunstein LLP and Bartlett Hackett Feinberg P. C. for their steadfast pursuit of these recoveries.

Court-ordered restitution accounted for \$43,203.06 (16%) and voluntary payments by disciplined attorneys added an additional \$8,006.94 (3%).

In the past three years, I had begun to accept that justice was a mirage of the intellect, a pretty symbol to assuage the triumph of wrongdoing. Your action in my behalf has reinstated my belief that there does indeed exist a code and a balance of fairness that makes it possible for a society to exist. For this proof, which is a great strength to me, I give my heartfelt thanks.

CSB Claimant, 9/11/2003

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**Attorneys Who Represented Claimants in Cases
Adjudicated by the Clients' Security Board
09/01/02 - 08/31/03**

The Board is pleased to publicly acknowledge and thank the following lawyers who generously contributed their time and talents, *pro bono publico*, to represent claimants before the Board during fiscal year 2003.

BRISTOL COUNTY

Deborah K. Blum-Shore
The Shore Law Firm
555 Pleasant Street, Suite 104
Attleboro, MA 02703

Donna M. Sowa
Cruz & Sowa
26 Seventh Street
New Bedford, MA 02740

ESSEX COUNTY

John D. McGrail
Monteforte & McGrail
38 Main Street
Saugus, MA 01906-2356

Stephen P. Shannon
Law Office of Michael B.
Feinman
The Fleet Building
23 Main Street
Andover, MA 01810

HAMPDEN COUNTY

Deborah A. Bloom
Keyes & Donnellan
1243 Main Street
Springfield, MA 01103

MIDDLESEX COUNTY

Robyn Ann Aldo
19 Fleming Road
Malden, MA 02148

William N. Batty, Jr.
41 North Road, Suite 205
Bedford, MA 01730

Donald J. Bertrand
Alford & Bertrand
600 Pleasant Street
Watertown, MA 02172

Richard F. Dacey, III
Dacey & Dacey, P.C
711 Main Street
Waltham, MA 02451-0609

Barbara D. Jackins
385 Concord Avenue, Suite 101
Belmont, MA 02478

George B. Leahey
16 Pine Street
Lowell, MA 01851

Anton R. Reinert
P.O. Box 505
West Acton, MA 01720-0505

/// FISCAL YEAR 2003

NORFOLK COUNTY

William A. Cross
Hutchings Barsamian Cross &
Mandelcom LLP
110 Cedar Street, Suite 250
Wellesley Hills, MA 02481

SUFFOLK COUNTY

J. Allen Holland
Lynch Brewer Hoffman & Fink
101 Federal Street
Boston, MA 02110

Kara Larzelere
Gallagher & Associates
One Constitution Center
Boston, MA 02129-2095

Alan E. McKenna
Robins Kaplan Miller & Ciresi,
LLP
111 Huntington Avenue, #1300
Boston, MA 02199-7610

Kevin Thomas Peters
Todd & Weld
28 State Street
Boston, MA 02108

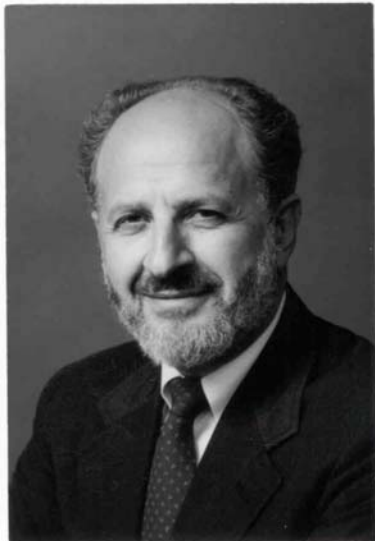
WORCESTER COUNTY

Laura L. Hancock Barry
Fletcher, Tilton and Whipple, PC
370 Main Street, Suite 1200
Worcester, MA 01608-1779

2003 WilliamJ. LeDoux¹ Award Winner Jerry Cohen -- A Profile



*...We need ways to stimulate
new levels of voluntary service
by lawyers while acknowledging
the many who do serve.*



JERRY COHEN IS A PARTNER AT PERKINS, SMITH, & COHEN, LLP. HE HAS PRACTICED LAW FOR MORE THAN 40 YEARS, SPECIALIZING IN INTELLECTUAL PROPERTY LAW. CHAIR OF THE FIRM'S SCIENCE AND TECHNOLOGY GROUP, HE HAS SERVED AS CHAIR OF THE INTERNATIONAL LAW SECTION OF THE BOSTON BAR ASSOCIATION AND OF THE MASSACHUSETTS BAR ASSOCIATION'S BUSINESS LAW SECTION; PRESIDENT OF THE BOSTON PATENT LAW ASSOCIATION; AND EDITOR-IN-CHIEF OF THE MASSACHUSETTS LAW REVIEW. FROM 1994 TO 1998, HE WAS A MEMBER OF THE BOARD OF BAR OVERSEERS.

A GRADUATE OF RENSSELAER POLYTECHNIC INSTITUTE, HE EARNED A J. D. DEGREE, WITH DISTINCTION, FROM GEORGE WASHINGTON UNIVERSITY LAW SCHOOL. HE IS AN ADJUNCT PROFESSOR AT SUFFOLK UNIVERSITY LAW SCHOOL AND AT ROGER WILLIAMS UNIVERSITY LAW SCHOOL. HE ALSO SERVES ON THE BOARD OF DIRECTORS OF THE CIVIL LIBERTIES UNION OF MASSACHUSETTS AND THE LAWYERS ALLIANCE FOR WORLD SECURITY.



When the Clients' Security Board asked me to manage a difficult situation, it was inevitable, given all that background of myself, the bar and the SJC, that I would accept the assignment. My first impulse was to decline. There were no precedents and no governing rules and I was busy and the situation posed dangers of micro-management and interference in a family's relationships and many other ifs, ands and buts. They all flashed through my mind in microseconds to force a "no" from my throat, but the words that came out were "yes, of course."



¹ The Clients' Security Board established the William J. LeDoux Award in 1997 to honor a lawyer exhibiting special devotion, skills and perseverance in representing a claimant before the Board. Mr. LeDoux served as a member of the Board from 1987 to 1997, including seven years as Chairman. He was tireless in advancing the Board's goals of serving the public.

**Previous Winners of
the
William J. LeDoux Award**

1998

Peter H. Sutton
Riemer & Braunstein LLP

1999

Nathan H. Proctor
Charles F. Proctor

2000

Thomas G. Hoffman
Greene & Hoffman, P.C.

2002

Douglas W. Salvesen
Yurko & Salvesen, P.C.

CLIENTS' SECURITY BOARD MEMBERS



Joseph D. Steinfield, Esq., a Board member since November 1998, was appointed Chair of the Board in December 2002. He is a member of the Boston firm of Prince, Lobel, Glovsky & Tye, LLP where he specializes in business and First Amendment litigation. He is a Fellow of the American College of Trial Lawyers and of the International Academy of Trial Lawyers, and is a member of the American Law Institute. He is Adjunct Professor of Law at Boston College Law School.



Edward W. McIntyre, Esq., a Board member since November 1, 1999, was appointed Vice Chair of the Board in December 2002. He is a solo practitioner in Clinton, Massachusetts concentrating in civil litigation. He is a member of the Supreme Judicial Court's Pro Bono Committee, a hearing committee member of the Board of Bar Overseers, past president of the Worcester County Bar Association, a director of the Worcester Bar Foundation, Chair of the Massachusetts Bar Association's Judicial Administration Section Council and a delegate to the MBA's House of Delegates.



Evelynne L. Swagerty, Esq., a Board member since November 1, 1999, is Senior Counsel at FleetBoston Financial within the Litigation Group of the Corporate Legal Department. Ms. Swagerty is an appointee of Governor Romney to the Judicial Nominating Commission. She is a former member of the Board of Directors of the Women's Bar Association and a past president of the Massachusetts Black Women Attorneys Association.



Peter H. Sutton, Esq., a Board member since November, 2000, is a senior partner and Chair of the litigation department in the Boston law firm of Riemer & Braunstein LLP, which he joined in 1973, after his tenure as Chief Law Clerk to the Justices of the Superior Court. He has a diversified litigation practice with emphasis on business and commercial litigation and bankruptcy law. Mr. Sutton has been a volunteer lecturer at the Boston University School of Law and has served as a trustee for several charities. He is a founder and president of the new Hellenic Bar Association. In 1988, he received the first annual William J. LeDoux Clients' Security Board Award for outstanding pro bono legal representation of a claimant before the Board.

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John R. Gobel, Esq., a Board member since November 9, 2001, is a partner in the law firm Gobel & Hollister in Pittsfield, Massachusetts, where he is engaged in the general practice of law. Mr. Gobel is a former lecturer at the Berkshire Community College, the Paralegal Institute, and the Massachusetts Bar Association's Continuing Legal Education Program. He is also a former Chair of the Probate Court Committee of the Berkshire County Bar Association.



Lucy W. West, Esq., a Board member since December 1, 2002, is a partner at the Boston law firm of Rackemann, Sawyer & Brewster, where she is Vice Chair of the trusts and estates department. She began her legal career as a staff attorney at the U.S. Court of Appeals for the First Circuit. Ms. West is currently Moderator for the Boston Probate & Estate Planning Forum. Recently elected to the American College of Trust & Estate Counsel, she holds a B.A. degree *magna cum laude* from the University of Michigan. She earned her J.D. degree from Boston College Law School.



Guy B. Moss, Esq., a Board member since December 1, 2002, is a partner in the law firm of Bingham McCutchen LLP in Boston, where he concentrates on bankruptcy law, creditors' rights and commercial law. Recently selected as a Fellow of the American College of Bankruptcy, Mr. Moss is an active member of the Boston, Massachusetts and American Bar Associations, and the American Bankruptcy Institute, as well as a frequent author and lecturer in his field.

CLIENTS' SECURITY BOARD COUNSEL



Michael Fredrickson, Esq. is counsel to the Clients' Security Board. He received his bachelor's degree in English from Macalester College, attended Oxford University as a Rhodes Scholar, and did graduate work in English literature at the University of Toronto. After receiving his law degree from Harvard Law School, he worked for over five years as an associate at the Boston law firm of Hill & Barlow before taking his present position with the Clients' Security Board. He also serves as general counsel to the Board of Bar Overseers, the state's lawyer disciplinary agency.



Karen D. O'Toole, Esq. has been the assistant board counsel to the Clients' Security Board and the associate general counsel to the Board of Bar Overseers since 1989. From 1986 until 1989, Ms. O'Toole was an associate at the Boston firm of Hoch & McHugh practicing maritime law. She received her B.A. from Carnegie-Mellon University, her M.S.W. from the University of Michigan, and her J.D. from Northeastern University.



Adam M. Lutynski, Esq. became assistant board counsel in 2002 after fourteen years as general counsel and secretary to an NYSE-listed technology solutions company. He is also a former public defender, legal aid lawyer and law school instructor. B.S., Loyola University (Chicago) - J.D., University of Chicago Law School.

INFORMATION ABOUT CLAIMS FOR REIMBURSEMENT

General

In 1974, to fortify public confidence in the legal profession, the Massachusetts Supreme Judicial Court created the Clients' Security Board and the Clients' Security Fund. The Board consists of seven Massachusetts lawyers appointed by the Court who, as trustees, manage and distribute the Fund to reimburse clients whose lawyers wrongfully took or misused client funds.

All money in the Fund comes from a single source: the registration fees paid by the lawyers of Massachusetts. No taxpayer dollars or other public funds are used. Members of the Board generously donate the significant time they devote to Board duties during their five-year terms. The lawyers who represent claimants before the Board also serve without compensation.

All fifty states and the District of Columbia have similar funds. Massachusetts, however, stands apart as one of the very few states whose Fund attempts to reimburse 100% of the claimant loss, whatever the amount.

Claim Procedure

Losses Eligible for Reimbursement

The Board may reimburse a client whose lawyer has stolen, embezzled or misappropriated money or other property from the client. A lawyer-client relationship (or a fiduciary relationship arising out of a lawyer-client relationship) must have existed between them and the loss must have occurred while the lawyer represented the client.

The Board will not hear claims based on disputes about fees charged or the quality or adequacy of the legal services provided.

Finally, the Board will reimburse only when the wrongdoer was a Massachusetts lawyer and:

- has resigned;
- has been disbarred or suspended by the Supreme Judicial Court; or,
- has died.

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Filing a Claim

Claim forms are available from the Board's office or from its web site. A claimant must fill out the form completely and send it to the Board's office together with all supporting documents such as receipts, cancelled checks, letters and agreements. Help from a lawyer is not necessary to fill out the form. However, if a lawyer does help a claimant prepare the form or present the claimant's case to the Board, the lawyer may not charge a fee for providing such help.

Next Steps

The Board promptly notifies the claimant that the claim form has been received. Then, the Board sends a copy of the claim to the disciplined lawyer to allow him or her to respond to the accusations. The Board will also examine the claim to be certain that it has jurisdiction over it and to determine if the claimant may have a right to recover from another source, for example, a bank or an insurance company. If the Board believes there is a reasonable case to be made against a liable third party, it will encourage the claimant to pursue recovery. Meanwhile, the Board will take no action until the

claimant reports back on the success or failure of those efforts.

If the claimant is successful and receives full reimbursement, the case is closed. If the claimant is unsuccessful, the Board views that effort as the exhaustion of all available remedies, which is a pre-condition to having the Board decide a claim.

The claimant must also complete a financial statement and send it to the Board before it makes a decision. If the Board needs more information, it will ask claimant or claimant's lawyer to provide it. The Board's staff receives, organizes and analyzes the information and in some cases will investigate independently. When the claim is complete, the matter will be scheduled for consideration at one of the Board's regular meetings. Recent Board practice is to meet formally eleven times each year.

Deciding Claims

The Board decides a claim in one of two ways.

First, the Board may choose to decide after a complete and thorough review of all the papers submitted without the parties in

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attendance. Most claims are decided this way. Second, the Board may choose to conduct a hearing and request the parties to attend and testify. Lawyers representing either the claimant or the disciplined lawyer may also attend.

Usually, on the day of the hearing the Board will vote whether or not to make an award. In making that decision, the Board will follow its rules and those of the Supreme Judicial Court. In addition, the Board will apply principles of fairness and reasonableness in voting to pay or reject claims in whole or in part. The Board may consider the degree of hardship suffered by any one claimant compared to other claimants and may take into account any negligence or other conduct of the claimant that may have contributed to the loss. *No claimant has a right to receive payment from the Fund. All reimbursements are a matter of grace.*

Notice, Payment and Transfer of Rights

Soon after making it, the Board will notify each claimant of its decision. If the Board made an award, payment shall be made to claimant as soon as reasonably practical. Before receiving

payment a claimant must sign a subrogation agreement transferring to the Board claimant's rights to pursue claims for restitution against the lawyer or responsible third parties. The agreement also obliges the claimant to repay the Fund the amount of the Board's award if claimant ever receives restitution.

Confidentiality

Applications, claimant financial statements, proceedings, investigations and reports involving specific claims for reimbursement shall be kept confidential according to Board rules. However, the Board may deliver claimant's application and related information to investigative agencies such as the Office of Bar Counsel, the Office of the Attorney General or the Office of the County District Attorney. The Board regularly publishes on its web site a summary of its decisions. Those summaries will identify the lawyer responsible for the loss but will *not* identify the claimant.

CLIENTS' SECURITY BOARD MEMBERS
1974-Present

Philip J. Assiran (1981-1983)
George N. Beauregard (1982-1986)
Barry D. Berkal (1981-1986)
Mark N. Berman (1997-2002)
Stanley B. Bernstein (1992-1996)
Mark I. Berson (1995-2000)
Thomas H. Collins (1974-1981)
J. Elizabeth Cremens (1987-1992)
Judith A. Cross (1988-1998)
Charles R. Desmarais (1974-1980)
Merrilyn R. Douglas (1989-1994)
Patricia M. Dunbar (1997-1999)
Harrison A. Fitch (1986-1993)
John R. Gobel (2001-)
Joel S. Greenberg (1980-1988)
Edward B. Hanify (1974-1979)
Paul F. Hannah (1974-1976)
Ruth-Arlene W. Howe (1983-1988)
Raymond J. Kenney, Jr. (1979-1987)
Maria J. Krokidas (1979-1984)
Elizabeth O'Neill La Staiti (1982-1986)
William J. LeDoux (1987-1997)
Edward J. Lee (1987-1992)
S. Thomas Martinelli (1975-1977)
Edward W. McIntyre (1999-)
Stanley B. Milton (1974)
Guy B. Moss (2002-)
Frederick L. Nagle, Jr. (1990-1995)
Loretta Sullivan O'Brien (1992-1997)
Thomas E. Peisch (1994-1999)
Dorothy G. Sanders (1992-1997)
Mary H. Schmidt (1997-2002)
Edward D. Simsarian (1984-1989)
Thomas G. Sitzmann (1996-2001)
Joseph D. Steinfield (1998-)
Peter H. Sutton (2000-)
Evelynne L. Swagerty (1999-)
Berge C. Tashjian (1978-1980)
Charles Y. Wadsworth (1977-1982)
Lucy W. West (2002-)



NOTES

NOTES

CLIENTS' SECURITY BOARD OF THE SUPREME JUDICIAL COURT
75 Federal Street ⌘ Boston, MA 02110 ⌘ Tel: 617-728-8700 ⌘ Fax: 617-357-1872
Web site: <http://www.state.ma.us/ClientsSecurityBoard>

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